

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
CORPUS CHRISTI DIVISION**

In re:	§	
	§	
SAM KANE BEEF PROCESSORS, LLC,	§	Case No. 19-20020
	§	
Debtor.	§	Chapter 11

**INTERIM ORDER (I) AUTHORIZING THE DEBTOR TO (A) USE OF PROPERTY OF
THE ESTATE, OR (B) USE OF CASH COLLATERAL PURSUANT TO 363(C) OF THE
BANKRUPTCY CODE; (II) GRANTING ADEQUATE PROTECTION FOR THE USE
THEREFORE; (III) SCHEDULING A FINAL HEARING PURSUANT TO
BANKRUPTCY RULE 4001 AS TO USE OF CASH COLLATERAL; AND (IV)
GRANTING RELATED RELIEF
(Relates to Doc. No. __)**

The Court considered the Emergency Motion for Interim Order (I) Authorizing the Debtor to (A) Use Property of the Estate, or in the Alternative (B) Use Cash Collateral Pursuant to Section 363(c) of the Bankruptcy Code; (II) Granting Adequate Protection for the Use Thereof (III) Scheduling a Final Hearing Pursuant to Bankruptcy Rule 4001 as to Use of Cash Collateral; and (IV) Granting Related Relief (the “Motion”),¹ filed by Sam Kane Beef Processors, LLC, the above-captioned debtor and debtor in possession (the “Debtor”). The Court having reviewed the Motion and any objections thereto; and based on the First Day Declaration of Richard S. Schmidt and the matters reflected in the record of the hearing held on the Motion; it appearing that the Court has jurisdiction to consider the matter pursuant to 28 U.S.C. § 1334; that this is a core proceeding pursuant to 28 U.S.C. § 157(b); that notice of the Motion was sufficient; and it appearing that the relief requested is in the best interests of the Debtor, its estate, creditors, and other parties in interest, and that good cause has been shown therefore, finds that the Motion should be GRANTED.

IT IS HEREBY ORDERED THAT:

¹ Capitalized terms not defined herein shall have the meanings ascribed in the Motion.

1. The Debtor is authorized to utilize property of the estate, or in the alternative, Cash Collateral. Such expenses shall be consistent with the Budget attached hereto as Exhibit A.

2. To the extent that the property is determined to be Trust property, the Debtor is authorized to use Trust proceeds to preserve the Trust assets in accordance with the Receivership Order [Doc. No. 45 in Case No. 2:18-cv-00171].

3. The Debtor's customers are authorized and directed to remit payment directly to the Debtor directly for goods purchased, notwithstanding the terms and provisions of that certain *Stipulation and Agreement Regarding Receivership Financing* entered into between the Debtor, the Receiver, the Cattlemen, and Marquette (each as defined in the Stipulation), or any other communications received from the Debtor or Marquette.

4. To the extent Marquette receives any post-petition payments from the Debtor's customers, Marquette is hereby ordered to immediately turn over the property of the estate.

5. The Court makes no determination as to what entities, if any, have an interest in the Cash Collateral that is authorized to be spent under this or any prior Order. If any such entities exist, then such entities are granted replacement liens on any and all assets acquired by the Debtor from and after the Petition Date in the same order and priority as existed on the Petition Date, as adequate protection for any diminishment in the value of their collateral.

6. The deadline for any prepetition secured lender to respond to the Motion is _____, 2019.

7. The Court will conduct a final hearing on the Motion on _____, 2019, at _____.

Dated: _____, 2019

THE HONORABLE DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE

Sam Kane Beef Processors, LLC**Exhibit A***BK Case No. 19-20020*

	<u>Amount</u>
Payroll Expenses	\$ 550,000.00
Payroll Expenses - current week	550,000.00
Transportation	198,000.00

Plant Operating Expenses

Packaging Supplies	120,000.00
Plant Supplies	84,000.00
Waste Disposal	26,400.00
Power & Light	33,000.00
City of Corpus Christi Water & Gas	44,000.00
Inspection	10,340.00
Repairs & Maint-Build & Equip.	39,600.00
Equipment Rental	4,400.00
Food Safety & Testing	7,920.00
Water	6,000.00
Waste Water	7,500.00

General & Admin. Expenses

Telephone	4,400.00
Gas	7,500.00
City of Corpus Christi - pymt plan	35,205.00
General Insurance Expense	17,600.00
Workmans Comp Insurance	7,700.00
Employee Group Insurance	24,200.00
Licenses & Taxes	17,600.00
Emp. First Aid & Medical Expense	5,309.00

Total Amount Needed	\$ 1,800,674.00
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